In opening the meeting, the Principal thanked members for attending this extraordinary meeting of the Senate. He reminded members that the Senate would be asked to comment on the two items for discussion which would be considered by the Court for approval on 26 August 2011. The Senate Assessors and the Student President would convey the Senate's views to the Court.

FEES FOR RUK STUDENTS

55.1 The Principal thanked Professor MacGregor for his work on the paper on Fees for RUK students (copy filed with the principal copy of the minutes) and invited him to present this paper to the Senate.

55.2 Professor MacGregor opened his presentation by outlining to the Senate the policy background and the context behind the proposals. He reminded the Senate that in England fees would be in the range £6K-£9K per annum with students eligible for loans repayable after graduation after an income threshold is achieved; in Wales fees will also be between £6K-£9K with students paying £3.5K with a non-repayable grant making up the difference regardless of where the student chooses to study; in Northern Ireland no decision had yet been taken but it was anticipated that fees would be in the region of £4.5K for NI-domiciled students with higher fees for other UK students, with support for NI students studying elsewhere in the UK. In Scotland, funding for Scottish-domiciled students would remain but universities will be able to charge fees up to a maximum of £9K for those from elsewhere in the UK.

55.3 He advised the Senate that from an analysis of the population 22% of students at Aberdeen come from the rest of the UK meaning that the University is third in Scotland in terms of RUK proportion and fourth in terms of absolute number. These students are therefore vitally important to the University.
55.4 He advised the Senate that the cost of providing undergraduate provision estimated from SFC teaching grant plus fees gives a weighted average of £6,100 (excluding medicine). Using Transparent Approach to Costing (TRAC) data the weighted average excluding medicine is £5,700, against peer and sector averages of £6,600 and £6,750. He noted that TRAC data are believed to underestimate the cost of teaching and therefore allowing for this underestimate, dilution due to fees only students and the impact of inflation, an annual weighted average of £6,500 is suggested for 2011/12. Taking into account further inflationary increases by 2012/13, an annual cost of £6,750 is suggested.

55.5 In drawing his presentation to a close, he asked the Senate to comment on the following proposals that:

- Aberdeen should adopt a single annual fee for RUK entrants for all subjects and should not differentiate across subject groups according to the cost of provision. The annual fee should be £9,000;
- Aberdeen should introduce a fee waiver system to ensure that total fees for a four year degree at Aberdeen are equivalent to those for a three year degree in England, that is, an average of £6,750 over four years. The form of this will require further work by Finance and Student Recruitment;
- The waiver should depend on performance;
- If funds are available, extra support should apply to all EU students and should be dependent on performance;
- Aberdeen should continue to recruit RUK students in all subjects; and
- Aberdeen target both AAB and other RUK entrants. The former will require the development of advanced entry routes.

55.3 There followed a wide-ranging discussion, the main points of which are detailed below:

- One member in noting the paper focused on undergraduate fees for RUK students queried whether there would be any future consideration in regard to fees for PG students. In response, it was noted that the focus was on undergraduate fees for those on four year degree programmes. It was further commented that consideration would also have to be given to the position for those on undergraduate five year Masters degrees such as MEng and MChem.
- One member commented that in the United States fees are high and there are associated complex systems of financial aid. It is increasingly recognised that such a system is becoming less tenable. While a very high baseline fee exists very few students actually pay the full amount due to the wide range of bursaries available. It was noted that given this complexity, many universities in the United States are moving away from setting maximum fees and rather are setting lower fees with a simpler system of bursaries and fee waivers. In that regard, it was proposed that the University may wish to consider setting a lower fee initially with a view to making further adjustments in time depending on how it is received and how the rest of the sector responds.
- It was suggested that it might be appropriate, given the market competition for RUK students, to avoid setting fees too high in case this deters applicants. It was proposed that it would be less of a risk to set fees lower and raise them in due course if felt appropriate rather than having to lower them due to insufficient student interest.
- One member queried why, given the analysis set out in paragraph 4.10 that the minimum average figure based on TRAC and SFC analysis is £6,250 per annum to cover costs, it was being suggested to charge a fee of £9K per annum. In response, it was noted that the fees proposed were based on ensuring break even and would be spread over four years.
- It was commented that Leeds Metropolitan had, in the early part of the century, set lower than average fees which had not proved popular and had led to them losing market share.
- It was questioned whether or not there were any plans to attract well qualified (e.g. AAB) applicants with a view to direct entry to year 2. In response it was noted that it
would be important for the University to make such direct entry as easy as possible. It was noted that currently the University has only a very small number of direct entrants. Going forward, it would be important to improve advanced entry routes and proactively market the advantages of the curriculum offered at Aberdeen. It was further stressed that it would important to market the value of the four year degree and to emphasise this as a strength of an Aberdeen experience.

- It was queried whether any consideration had been given to the provision of bursaries for AAB entrants. In response it was noted that this had not yet been addressed.
- The market analysis regarding the reasons why students come to Aberdeen was queried. It was noted that despite location, the good transport links, the quality of the four year degree and the city are seen as positives. It was further noted that the University had seen a 40% increase in undergraduate applications over the past two years which was significantly ahead of that of the rest of the sector.
- One member of Senate commented that the average fee being charged by the Russell Group Universities was £8500. On the basis of this three year fee being spread over four years would mean a fee of £6400 per annum rather than the £6750 which would result from the proposed £9000 fee over three years with the fourth year fee being waived. In response it was noted that a fee of £6400 per annum would mean that the University would lose money. Consideration would also be given to bursaries and fee waivers.
- It was queried how the proposed model would be presented? In response it was noted that it was planned to announce that the University would charge a fee of £9K per annum with the fourth year being waived.
- It was commented that study in Scotland has always been more expensive than that in England due to the additional year of study. The additional benefits of that extra year should be promoted.
- One member commented that applicants seem more concerned about the quality of provision rather than the cost of fees. By charging a fee of £9K per annum, this will place the University in a bracket with those other institutions with whom the University would wish to be compared.
- It was commented that using academic performance as a basis for determining whether or not to waive the final year fee should be avoided as this may lead to additional stress on students and may well lead to an increase in appeals. It was further stressed that it would be important to ensure parity of treatment for RUK and Scottish /EU students. In contrast, another Senator commented that by recognising academic achievement in years one to three in determining the final year fee waiver would emphasise to students the importance of doing well across all years of study. In response, it was noted that it would be difficult to market a performance-based fee waiver scheme and rather it would be easier to market a model based on a four year programme with a free final year.
- It was commented that given the likely increased level of student debt that it would be important to stress the importance of employability to emphasise to prospective applicants the value of their investment in higher education.
- It was noted that bursaries may be more transparent than a complex scheme of fee waivers. It would be important to ensure that students are clear about the implications of the proposed fee regime. In that regard, it was proposed that spreading the fee across all four years may be simpler for students to understand.
- One member queried how fee waiver would operate for those entering with direct entry. It was queried whether those students might have a reduced fee waiver upon entry to their final year.
- It was noted that while the tuition fee costs may be comparable between an Aberdeen four year degree and a three year degree offered by an English University, those studying in Aberdeen would incur additional living costs for the extra year of study. It was therefore suggested that the option of a three-year degree based on advanced entry should be promoted. In response it was noted that care needs to be taken in promoting a three year degree as the preferred entry route given the clear benefits of the four year Scottish degree.
• In terms of marketing, it was suggested that the emphasis should be on the value of the extra year at Aberdeen.
• One member queried whether it would be better to waive the first rather than the final year. In response it was noted that waiving the final year was better from a finance perspective.
• One member commented at the increase in fees for RUK students would lead to increased expectations in regard to issues such as promptness of return of exam results, student feedback and student support. In response, it was stressed that it would be important that the University to provide a high quality student experience and that the level of fees should not be a factor in this.
• One member suggested that if the fee waiver is based on academic performance that there may be a risk that this could lead to grade inflation. A simple model based on pass/fail would avoid this.
• One member commented that in terms of PgT recruitment they had observed evidence that parents and sponsors make a link between fee level and quality of provision and that higher cost programmes are often assumed to be of higher quality.

In drawing the debate to a close, the Principal thanks members for their contributions. He reminded members that the views of Senate would be conveyed to the Court.

SCOTTISH GOVERNMENT REVIEW OF UNIVERSITY GOVERNANCE

56.1 The Principal invited the University Secretary to present the paper on the Scottish Government Review of University Governance (copy filed with the principal copy of the minutes). In presenting the paper, the University Secretary informed the Senate that the paper incorrectly referred to Terry Brotherstone as representing Scotland's Trade Union Centre rather than Scotland's Trade Union Congress. He highlighted the key issues as summarised below:

• that the paper sought to emphasise that the current arrangements in place in Aberdeen map well onto the proposals being made by the Scottish Government;
• that the Court membership included the six Senate Assessors, student representation via the President of the Students' Association, the Rector and the Rector's Assessor, representation of the General Council, the local authorities, eight lay members and a number of executive members.
• that there can be issues in terms of equality and diversity particularly in regard to ex officio members.
• that there should not be elected Principals or a Supervisory Council as the latter is a role for the Scottish Funding Council.
• that it is not clear what the problems are that this review is seeking to address.

There followed a short discussion, the main points of which are noted below:

• One member proposed that there should be increased student membership on all University committees including an additional student member on Court and student membership of the University Management Group. In response, it was noted that there was a distinction between management and governance. It was also noted that the President of the SA is a member of the Operating Board.
• It was commented that the draft response had a somewhat defensive and complacent tone. It was proposed that it should be revised to be more self-critical. In response it was noted that it was anticipated that the responses from the other 'ancients' would be similar in tone to the draft. It was noted that the Government may be trying to resolve issues in the post-92 institutions through this review rather than issues affecting the sector as a whole.
• It was proposed that the importance of student involvement should be emphasised. In response, it was noted that this point was made in paragraph 10.1.
• It was suggested that examples of ways in which the University has involved students (e.g. in Curriculum Reform) could be added.
• It was suggested that the response could be focused more nationally than specifically on Aberdeen and that this might help address the feeling of complacency in the draft response.

In drawing the meeting to a close, the Principal thanked members for their helpful contributions and the stimulating debate.